



Commonwealth of Kentucky Public Protection Cabinet

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Members Heritage Becomes State-Chartered Credit Union *Department of Financial Institutions Assumes Regulatory Authority*

FRANKFORT, Ky. (Dec. 30, 2014) – The Department of Financial Institutions (DFI) today announced that, effective Wednesday, Dec. 31, 2014, Members Heritage Credit Union Inc. – formerly Members Heritage Federal Credit Union – will switch to a state charter. Members Heritage becomes the 24th credit union under DFI's supervision.

"Members Heritage will continue to be examined once a year, but will now benefit from our local decision-making process and our knowledge of local economic conditions. In addition to DFI's regulatory input, the credit union will still be examined jointly with federal regulators," said DFI Credit Union Branch Manager Kevin Maguire. "Also, switching to a state charter allows Members Heritage to have a wider field of membership."

DFI now assumes regulatory authority, which includes conducting examinations approximately every 12 to 15 months. The National Credit Union Administration continues to insure Members Heritage deposits, and each depositor is insured up to \$250,000.

Members Heritage has more than 45,000 members and total assets of \$348 million. With \$38.1 million in equity, its net worth is 11.85 percent of total assets as of Sept. 30, 2014. Annualized return on assets, year-to-date was 0.32 percent and annualized asset growth was 3.70 percent. Patrick Ferry is president and CEO.

Members Heritage operates five branches in Lexington, as well as branches in Winchester and Nicholasville, and in Zebulon, North Carolina. For more information, visit <http://www.membersheritage.org/ASP/home.asp>.

Members Heritage is the fourth conversion to state charter in the last four years (Autotruck Financial Credit Union in 2011 and Friends First and Park Community credit unions in 2012).

"It's a testament to the strength of the state charter and DFI's positive role as regulator that four credit unions have chosen to switch to state charter in the past few years," said DFI Commissioner Charles Vice.

DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years it has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.

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